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Change in Effective Control (RIGL Chapter 23-17)

Summary of the Statutory Review and Decision Process

Application Form:

<http://www.health.ri.gov/applications/healthsystems/ChangeInEffectiveControl.doc>

Background

- A change in ownership, control, or lesse of a health care facility in RI requires approval by the Department of Health (HEALTH) as a Change in Effective Control (CEC) (Chapter 23-17). This includes hospitals, nursing homes, organized ambulatory care facilities, outpatient kidney dialysis facilities, outpatient hospice care facilities, freestanding emergency care facilities, home health care providers, etc.

Purpose

- Promote appropriate access; safe and adequate treatment; and quality improvement in health care facilities

Proposals Subject to the CEC Review

- Proposed change of owner, operator, or lessee of a health care facility: transfer of governance, operational authority, or controlling interest in ownership or governance

HEALTH's CEC Statutory Criteria for Review and Decision

1. The character, commitment, competence, and standing in the community of the proposed owner or operator;
2. The extent to which the facility will continue to provide care without effect on the viability of the facility;
3. The extent to which the facility will continue to provide safe and adequate treatment for the individuals receiving health care provided by the facility;
4. The extent to which the facility will continue to provide access to underserved populations, in consideration of proposed continuation or termination of services provided by the facility.

CEC Application and Review Process:

○ Phase One: Completeness Review

- HEALTH reviews a CEC application and determines whether the application is complete. If the application is complete, HEALTH will accept it for review within 10 working days of receipt. Otherwise, a deficiency letter will be sent to applicants in cases where the application is deemed incomplete.
- If the application is determined to be incomplete, HEALTH requests the application to be resubmitted with all the additional information incorporated into the resubmitted application.

○ Phase Two: Criteria Review by the Health Services Council

- When the application is determined by HEALTH to be complete, the Health Services Council (HSC) reviews the application.
 - The HSC is a statutory advisory council appointed by the Governor, Speaker of the House and President of the Senate
 - HEALTH provides staff support to the HSC
- Public Process:
 - The public has the opportunity to comment on the application within 30 days public notification and initiation of review, when practicable. All HSC meetings are open to the public.
- CEC application and review is a public, non-confidential process
 - The Statute provides that the entire CEC application and record is made public. The public may request to view the application and HEALTH may post the application on its website.
- Based on a review of the application in consideration of the four CEC criteria, the HSC makes an advisory recommendation to the Director of HEALTH to:
 - approve the application,
 - reject the application, or
 - approve the application with conditions
- The process of HSC review and decision may take up to 90 days after initiation of review.

○ Phase Three: Decision

- The Director makes a decision on the application considering the CEC review criteria and the HSC's advisory recommendation.

The information provided herein is not a formal interpretation or legal analysis of the general statute or rules and regulation issued by HEALTH.

RI General Laws can be located here:

<http://www.rilin.state.ri.us/Statutes/TITLE23/23-17/INDEX.HTM>

Rules and Regulations can be located here: <http://sos.ri.gov/rules/>